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TAGS: <u>PREL ECON MCAP MARR IS IR CH</u>

SUBJECT: ISRAELI AMBASSADOR SEEKS MORE SPACE FOR SECURITY

COOPERATION WITH CHINA

REF: STATE 123081

Classified By: Acting Political Section Chief Ben Moeling for reasons 1.4 (B/D).

SUMMARY

11. (S) Israeli Ambassador to China Amos Nadai told the Charge that Israel was capable of expanding its defense and security relationship with China but this would require the United States rethinking the limitations it has placed on Israeli security cooperation with China. Israel was especially interested in improving ties with the Chinese Ministry of Public Security (MPS) and provide security for major upcoming events like the 60th anniversary celebration and Expo 2010. Nadai also noted the need for urgency in dealing with Iran and the lack of appreciation by Israeli leadership of the implications for Israel of China's rise. End summary.

Israel Hopes for Expanded Security Cooperation with China

12. (S) Ambassador Nadai told the Charge on July 19 that Israel could "do more" in terms of its defense and security relationship with China if the U.S. were to step aside and allow increased direct Israel-China ties. Under a 2004 Statement of Understanding (SOU) with the United States, Israel agreed to limit its transfer of sensitive technologies to China, Nadai noted. Notwithstanding Israel's broad interpretation of these restrictions, Nadai said he believed that the USG should rethink this policy and loosen SOU restrictions to allow Israel to improve the quality of engagement with China on defense and security-related issues. Nadai several times noted the difficulty Israeli diplomats in Beijing had in developing contacts at the Ministry of State Security and the MPS.

Talking to the MPS, Seeing Opportunities

13. (C) Nadai reported that in a recent conversation with MPS Vice Minister Liu Jing, Liu outlined his security concerns surrounding the upcoming 60th anniversary of the CCP and the 2010 Shanghai World Expo. Nadai said Israel had been frustrated by U.S. opposition to a larger role for Israel in security arrangements for the 2008 Beijing Summer Olympics. Nadai suggested that the CCP anniversary event and the Shanghai Expo might represent opportunities for the Israeli security industry.

Time is Running Out for Multilateral Approach on Iran

14. (C) Regarding Tehran's nuclear ambitions, Nadai said that "Iran gets more and more dangerous each month, and time is running out to do something about it." While Israel

appreciated other countries' commitment to a multilateral approach to engage Iran, Israel was obligated to give a higher priority to its own national security, he added.

Israel Needs Broader Vision of China's Development

15. (C) Ambassador Nadai complained that Israel continued to take a narrow view of China's rise. He indicated that China's rapid development has important implications for Israel that the leadership in Tel Aviv did not appreciate.

GOLDBERG